

## Thom Demands Fixed Policies For Railroads

Otherwise Credits Cannot Be Re-established, He Tells the Senate Committee

Confidence Has Declined

"Revenue and Expenditures Are Beyond Control of the Investor," He Asserts

WASHINGTON, Jan. 16.—Unless Congress devise some legislative means to centralize regulatory control of railroad expenditures and revenues it will be impossible to reestablish confidence and attract capital to invest, Alfred P. Thom, general counsel of the Association of Railroad Executives, told the Senate Interstate Commerce Committee today.

Stating his testimony was based on the assumption the government proposed to turn the railroad properties back to private ownership, Mr. Thom, who was the only witness at the hearing, devoted the entire morning session to a discussion of the economic facts underlying the lack of confidence in railroad securities and the necessity of reestablishing this confidence if Congress hoped to achieve any permanent solution of the present railroad tangle.

**Income Has Been Inadequate**

"It cannot longer be said that money is waiting for investment in railroads," said Mr. Thom. "Our belief is that capital now has to be attracted or it will not come. Unless Congress legislate on this basis it will not be meeting the actualities. The flow of capital into railroad securities has come to a standstill."

Mr. Thom then laid before the committee statistics which he declared showed that in the period between 1910 and 1916 the aggregate operating income of the railroads of the country each year except 1913 had been inadequate to meet the interest and dividend charges, which actually had been paid. In response to a question by Senator Watson regarding how the roads obtained the money to pay their interest and dividends Mr. Thom stated that this had come from investments, rentals and other sources apart from earnings.

**Figures Are Analyzed**

Analyzing the figures presented to the committee, he drew the following conclusions:

1. With the exception of 1913 each year from 1910 and up to 1916 showed a reduction in operating income or earnings.
2. During each year from 1910 to 1916 there was a decrease in the property investments. Investments grew while income declined.
3. In no year after 1910, except 1913, were earnings sufficient to pay interest and dividends.
4. Aggregate operating income during the period 1910 to 1916, despite a banner railroad year in 1916, fell short by \$174,687,778 of meeting the aggregate interest and dividend charges.
5. Interest and dividend charges during this period had to come out of surplus earnings, investments by the roads or other sources apart from earnings.
6. During this period the bonded debt of the roads increased three times as fast as the stocks. Between 1910 and 1916 the bonded debt of the roads increased \$2,200,000,000, while the stocks increased only \$733,000,000.
7. During no year between 1910 and 1916 did the railroads earn as much as the 5 per cent on their stock which the Interstate Commerce Commission had officially declared "adequate and not in the public interest" as an investment return.
8. The average net operating income during the period 1910 to 1916 was only 4.94 per cent, considerably less than the 5.35 per cent figure declared inadequate by the Interstate Commerce Commission.

**Seeks Permanent Policy**

"Unless you can show a permanency of policy which will assure an adequacy of income to meet railway obligations," said Mr. Thom, "you have not solved the question of railroad credits. Public confidence in these securities has declined because the investor has had no control over extensions or renewals. The scale of extensions has been made for him, not by him. They have been further affected by the demands of labor, current prices and the exactions of public authority."

Postponing the discussion of the labor phase of railroad expenditures and the question of current prices to later testimony, Mr. Thom then emphasized the variety of authorities, Federal and state, which exercise control over railroad outlay. Questioned regarding the specific ways in which state and local authorities controlled railroads expenditures, he pointed out that this largely was a matter of station construction and crossing and grade changes, but added that local police regulations imposed a substantial amount of expense upon the roads.

"Revenue as well as expenditures," Mr. Thom continued, "are beyond the control of the investor. This is also fixed by governmental authority. If revenue at the moment is adequate the investor has never any assurance that it will continue adequate to meet outlay and pay interest and dividends.

At the opening of today's hearing Mr. Thom finished the argument he had commenced at adjournment yesterday against the delegation of powers of railroad control to the President for five years, as proposed in the McAdoo "five-year" plan. He declared he believed it not only unwise but unconstitutional for Congress to delegate authority power to the President to overthrow by Executive order at will the control over interstate commerce vested in Congress.

"This would be an abandonment by

Congress of its constitutional powers for five years," said Mr. Thom. "Let's that the purpose of the proposal," asked Senator Kellogg, to which Mr. Thom replied, "I don't know."

Asked by Senator Pomerene whether the railroad executives' programme presented to the committee Monday, which Mr. Thom has made the basis of his testimony, represented the unanimous view of the lines, Mr. Thom said that while a few members of the association had dissented from one or two features of the programme, it was the action of the preponderant majority of the association.

## Obituary

### President-Elect Alves, Of Brazil, Long Ill, Dies

RIO DE JANEIRO, Brazil, Jan. 16.—Dr. Rodrigues Alves, President-elect of Brazil, died today. He had been critically ill for some time past.

Dr. Alves last night received the last rites of the Catholic Church.

Under the constitution an election will be held to choose a new President.

Dr. Francisco de P. Rodrigues Alves was one of the leading statesmen of Brazil. He served as President of Brazil from 1902 to 1906, and was the only candidate for the Presidency in 1918. He was elected under a pledge for the continuation of the war policies of the government of President Braz.

After his retirement from the Presidency in 1906 Dr. Alves was sent on various missions by the Brazilian government.

Dr. Alves was not able to assume office on November 14, 1918, because of illness and had not yet taken the oath when death intervened. The Vice President, Delfino Moreira, assumed office on November 14, and has been the acting head of the government.

### Bernt Berger, Engineer, Dies of Heart Disease

Bernt Berger, a consulting engineer in bridge and structural work, with offices at 150 Nassau Street, died of heart disease Wednesday night while on his way to his home, 384 Clinton Avenue, Brooklyn. He was fifty-three years old.

Mr. Berger was born in Norway, but had lived in Brooklyn for thirty years. He was a past president of the Brooklyn Engineers' Club and a member of the American Society of Civil Engineers. He was a member of the Norwegian Engineers' Society and a director of the Norwegian Hospital of Brooklyn.

Mr. Berger was unmarried. He leaves a brother, Herman Berger, in this city and two brothers in Norway. Funeral services will be held at the residence at 3 o'clock Saturday afternoon.

**ANSON M. BANGS**

Anson Myron Bangs, formerly one of the foremost engineering contractors in the United States, died Wednesday in the Presbyterian Hospital after a long illness. He was sixty years old. Mr. Bangs was born in Fayetteville, N. Y. He was contractor for the Soo Canal locks, the Delaware River Water Gap and other important government works. In 1907, with W. J. Oliver, he submitted the lowest bid for the construction of the Panama Canal, but was rejected when President Roosevelt decided to have the canal built directly by the government. He retired about a year ago. He leaves a widow and one daughter, Mrs. Lorenzo Armstrong, of 53 East Fifty-first Street. The funeral, which will be private, will be held at her residence.

**JOHN A. QUELL**

John Adam Quell, a Brooklyn shoe manufacturer, died of heart disease Wednesday at his home, 478 Decatur Street. He was sixty-nine years old. Mr. Quell was born in Germany, but had lived most of his life in this country, and for more than thirty years was in business at Fulton and Sumpter Streets, Brooklyn. He was treasurer of the Fulton Street Board of Trade and was a member of the Holy Name Society and the St. Vincent de Paul Society of St. Benedict's Roman Catholic Church. He leaves a wife and two sons and four daughters. The funeral will be at 10 o'clock Saturday morning at St. Benedict's Church, Brooklyn. Burial in St. John's Cemetery.

**THOMAS F. CONNOLLY**

Thomas F. Connolly, a retired fire captain, is dead at his home, 251 Kingsbridge Road, The Bronx, following an operation. Captain Connolly was a familiar figure along the East River water front years ago as commander of the Fireboat William F. Havemeyer, and later as Captain of the Van Wyck and William L. Strong. Since his retirement Captain Connolly has been in the employ of the New York Edison Company.

**PHILANDER A. STREETER**

HOLYOKE, Mass., Jan. 15.—Philander A. Streeter, first Union soldier confined in Libby Prison, died here this morning, aged seventy-eight. He was captured at the first battle of Bull Run. He lost sixty-five pounds during his imprisonment. His wife and two sons survive him.

**MRS. MARY E. RANDALL**

Mrs. Mary E. Randall, an actress, wife of George Randall, with whom she had appeared in vaudeville, died of pneumonia yesterday at her home, 315 West Forty-sixth Street. She was forty-four years old. She leaves her husband and one child. Funeral services will be held Friday morning at 10:30 o'clock at the Campbell Funeral Church, Broadway and Sixty-sixth Street. Burial will be in Boston.

**MRS. MARTHA O. BARTON**

Mrs. Martha O. Barton, widow of Edward H. Barton, a broker, died of apoplexy yesterday at her home, 2053 Seventh Avenue. She was eighty-two years old. Mrs. Barton lived in this city for thirty-one years. She leaves four sons and four daughters. Funeral services will be held this evening at 8:30 o'clock at the Campbell Funeral Church, Broadway and Sixty-sixth Street. Burial will be at Mount Hope Cemetery.

**JONAS M. FARRINGTON**

Jonas M. Farrington, for twenty years proprietor of Brown's Chop House, died yesterday at his home, 27 Fleetwood Avenue, Mount Vernon. He was seventy-six years old. Mr. Farrington retired from active business last May. He leaves three brothers and a sister.

**MANHATTAN**

Fourth Avenue, cor. 25th Street, Eldridge St., cor. Rivington St. East Houston St., cor. Essex St. Seventh Ave., bet. 48th & 49th Sts. Lexington Ave., cor. 124th St. Grand St., cor. Clinton St. E. 72d St., bet. Lexington & 3 Aves. Eighth Ave., cor. 127th St.

**BRONX**

Courtlandt Ave., cor. 148th St.

**BROOKLYN**

Smith St., cor. Livingston St. Graham Ave., cor. Devoise St. Pitkin Ave., cor. Rockaway Av.

## Men's Winter Gloves

Men's Glove Section  
ONE CLASP GLACE GLOVES in grey, khaki and tan; soft and pliable.  
Formerly 2.50 pr.

1.95

## Domestic Lingerie 20% under regular value

American made undergarments of Nainsook; daintily trimmed with embroidery, laces and net.

GOWNS—empire models  
1.75 1.95 2.10 2.95  
ENVELOPE CHEMISE  
1.10 1.35 1.50 1.95  
CHEMISE  
1.25 1.75 1.95  
PETTICOATS  
2.50 2.95

## Silk Lingerie 10% under retail value.

GOWNS  
7.50 8.95 to 12.50  
ENVELOPE CHEMISE  
2.95 3.50 3.95  
CAMISOLES—plain tailored, Washable Satin models.  
2.50 2.95

## French and Philippine Lingerie

Fully 20% under market value

Dainty undergarments with hand scalloped edges and unusually attractive designs.

GOWNS,  
CHEMISE,  
1.95 to 3.50  
ENVELOPE CHEMISE,  
3.50 and 3.95  
DRAWERS,  
1.95 and 2.50  
PETTICOATS,  
4.95

NOTE—When the present assortment is sold prices will be much higher for the new stocks.

## 5,000 Yards Dress Satins

35 inches wide; in these light and dark shades:

Ivory  
Ciel  
Lavender  
Navy  
Brown  
Old Rose  
Garnet  
Plum  
Taupe

Mais  
Flesh  
Nile  
Turquoise  
Grey  
Blue  
Amethyst  
Tan  
Emerald

In Stock \$2.50 yd.

2.20

## 2,000 Yards Black Silks

IMPORTED BLACK TAFFETA—chiffon finish; 39 inches wide.  
In Stock \$2.50 yd  
BLACK DRESS SATIN—glace finish; excellent weave; 40 inches wide.  
In Stock \$4.50 yd

## 4,000 Yards Georgette Crepe

COLORED GEORGETTE CREPE—40 inches wide.

Orchid  
Pink  
Ciel  
Ivory  
Grey  
Tan  
Brown  
Garnet  
Navy

In Stock \$2.75 yd.

2.25

SATIN METEOR—40 inches wide; in street and evening shades.

Ciel  
Pink  
Ivory  
Turquoise  
Grey  
Taupe  
Gold  
Reseda  
Wistaria  
Old Rose  
Blue  
Navy  
Plum  
Brown  
Gold

In Stock \$3.75 yd.

3.25

## Hair Nets

Cape shape or large allover nets in the following shades:

Light Brown  
Dark Brown  
Med. Brown  
Blonde  
Light Auburn  
Dark Auburn  
Drab Blonde  
Drab Brown  
Black

Value \$1.80 doz.

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## Wool Yarn

ALL WOOL YARN—an excellent grade. In natural, scoured, grey and khaki shades.  
Regularly \$1.40 Hank

Sale 1.05 Price

## Silk Hosiery Durable Qualities

FINE LUSTROUS SILK HOSE with reinforced cotton tops and soles, in the following shades:

Beige  
Suede  
Mole  
Black  
Bronze  
Brown  
Dark Grey  
White  
Tete de Negre

1.95

Also

PURE THREAD SILK HOSE—seam at back; cotton soles and tops; in Black and White.  
Clearance, pr.  
SILK HOSE—full fashioned; in Black, White, Brown, Tan, Navy and Grey. Lisle soles and tops.  
Clearance, pr.

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## Women's Winter Gloves

Extraordinary Values  
GLACE GLOVES—one clasp; pique seams; white with heavy black stitching—also all white, tan and black.  
Formerly 2.25 pr.

1.55

## 3,000 Yards Cretonnes For Clearance

The colorings are most attractive and the designs suitable for slip covers, cushions, draperies, etc., 31 inches wide.

Formerly .75 to \$1.25  
An Unusual Value

.39 yd.

## Portieres

Only a few pairs left to be closed out at this remarkably low price.

VELOUR PORTIERES—double faced; various color combinations. 7½ feet long.

21.75

## New Spring 1919 Gingham

The finest weaves America and Scotland produce. Here is endless variety.

Colors that wash and qualities that wear.  
Yard .45 to 1.35

## Silk and Cotton Crepe de Chine

of a superior quality—in a variety of desirable colors; 36 inches wide.

Very Special, yd. .65

Samples sent on request

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Extraordinary Offerings in the

Sales Final

## JANUARY SALE OF MEN'S SHIRTS

IMPORTED MADRAS—Novely woven checks.  
IMPORTED MADRAS—Neatest candy stripes.  
IMPORTED MADRAS—Neat fancy and novelty stripes.

2.45 each  
Actual Values  
\$3.00, \$3.50, \$4.00

PLAIN CHAMBRAY—Blue, lavender and tan.  
MERCERIZED SHIRTINGS—Season's newest ideas.  
SATIN STRIPED MADRAS—Exceptionally fine grade.

STIFF CUFF SHIRTS—Clearance of all grades in white or colors—plain and pleated fronts, including pique pleated tuxedo shirts.

Values \$2.50 to \$3.50

SOFT CUFF SHIRTS—Exceptionally fine grade of excellent quality percale, in the most desirable patterns.

Value \$2.00

ARNOLD'S DOUBLE WEIGHT BROADCLOTH SILK SHIRTS—Balance of our stocks without reserve—plenty of 14, 14½, 15 and fair assortments from 15½ to 18.

Value \$12.00

WONDERFUL SILK SHIRT VALUES can be found among this clearance of all grades that we cannot duplicate and therefore wish to discontinue.

Values \$6.50 to \$8.50

## Continuing the Final Clearance of High Grade Winter Apparel

### For Women and Misses

WOMEN'S SUITS of Tweed, Wool Velour and Silvertone—plain and fur trimmed models.

Formerly \$39.50 to \$75.00

WOMEN'S DRESSES—remaining stock of the season's fashionable models, comprising Velveteens, Serges, Satins and Jerseys.

Formerly up to \$45.00

WOMEN'S COATS—entire remaining stock, consisting of plain and fur trimmed models in various fabrics.

Formerly \$37.50 to \$165.00

MISSSES' SUITS—correctly tailored or beautifully fur trimmed; lined and interlined.

Formerly \$32.50 to \$135.00

MISSSES' DRESSES—including Velveteens, Serges, Georgettes, Satin and Nets; in a diversity of charming styles.

Formerly \$37.50

MISSSES' COATS—plain and fur trimmed models for final clearance.

Formerly \$29.50 to \$105.00

## Now in Progress The Clearance of Fine Furs

LEATHO AUTO COATS—warmly lined with nutria; a trim model for motor wear.

Formerly \$120.00

95.00

HUDSON SEAL COATS—plain or trimmed with skunk collar and cuffs; exquisitely lined.  
Formerly \$350.  
Now 285.00  
GREY SQUIRREL COAT—smart belted model.  
Formerly \$200.  
Now 170.00  
MOLE COAT—a fashionable box model.  
Formerly \$450.  
Now 382.00

## Sale of Muffs

Formerly Now  
\$24.00 17.00  
RACCOON MUFFS. 24.00 19.50  
HUDSON SEAL MUFFS. 26.00 21.00  
SKUNK MUFFS. 47.00 38.00  
MOLE MUFFS. 42.50 35.00

## Clearance of Dress Goods

ALL WOOL SERGE—40 and 42 inches wide; Navy, Midnight Blue, Cadet, Sand, Taupe, Brown, Green and Black.  
Reg. \$2.25 yd.

ALL WOOL VELOUR for suits, dresses and coats; 54 inches wide; soft, rich finish in Beaver, Taupe, Brown, Green, Plum, Wine, Navy, and Black.  
Reg. \$5.50 yd.

ALL WOOL SERGE—54 inches wide; a fine twill for high class suits and dresses, in wanted shades; also Navy and Black.  
Reg. \$3.50 yd.

## Cotton Sheets

and

## Pillow Cases

Arnold's "Clydesdale" qualities at the lowest quotations of the day's market.

SHEETS—Plain hemmed.

Size	Reg'lly	Sale
72 x 99	\$2.25	1.95 ea.
72 x 108	2.50	2.15 ea.
81 x 99	2.50	2.15 ea.
81 x 108	2.75	2.35 ea.
90 x 99	2.75	2.35 ea.

PILLOW CASES—Plain hemmed.

Size	Reg'lly	Sale
42 x 38½	.55	.48 ea.
45 x 38½	.60	.53 ea.
50 x 38½	.65	.58 ea.

Hemstitched Sheets and Pillow Cases at proportionate reductions.

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## Smyrna Rugs

of the best reversible qualities, in figured Oriental and geometrical designs.

Size	Value	Sale
18 x 36	\$ 3.25	2.75
30 x 60	8.00	7.00
3 x 6	11.50	10.00
4 x 7	18.00	16.00
6 x 9	37.00	32.50
7.6 x 10.6	54.00	47.50
9 x 12	67.00	60.00

## Hand Braided Rag Rugs

in oval and round shapes—unique designs.  
Sizes range from 26 x 36 inches to 60 x 101 inches.  
Values \$6.50 to \$50.00  
5.50 to 43.00

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